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Department of Justice

U.S. Attorney's Office

District of Massachusetts

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Wednesday, November 17, 2021

Stoughton Man Pleads Guilty to Bank Fraud Scheme Related to COVID-19 Pandemic

BOSTON – A Stoughton man pleaded guilty yesterday in connection with a fraudulent scheme to obtain COVID-19-related small business loans from several financial institutions.

Yves Montima, 53, pleaded guilty to one count of conspiracy to commit bank fraud. U.S. District Court Judge Denise J. Casper scheduled sentencing for March 9, 2022. Montima was charged on Nov. 4, 2021.

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) created a temporary loan program directed at small businesses called the Paycheck Protection Program (PPP). Independent contractors were eligible to apply for PPP loans, which were processed by private financial institutions and fully guaranteed by the U.S. Small Business Administration. If an independent contractor used the loan funds for approved purposes, such as payroll, the loan could be forgiven by the financial institution and paid for by the U.S. Small Business Administration.

Montima participated in a scheme that obtained over \$220,000 in proceeds through fraudulent PPP loan applications submitted between April 2020 and April 2021. According to the charging documents, Montima and a co-conspirator submitted 12 fraudulent PPP loan applications, both in their own names and in the names of others, at several financial institutions. It is also alleged that Montima and his co-conspirator received kickback payments from individuals on whose behalf they submitted fraudulent PPP loan applications.

The charge of conspiracy to commit bank fraud provides for a sentence of up to 30 years in prison, up to five years of supervised release, a fine of up to \$1 million or twice the gross gain or loss, whichever is greater, and forfeiture. Sentences are imposed by a federal district court judge based upon the U.S. Sentencing Guidelines and other statutory factors.

Acting United States Attorney Nathaniel R. Mendell and Frederick J. Regan, Special Agent in Charge of the U.S. Secret Service, Boston Field Office made the announcement. Valuable assistance in the investigation was provided by the U.S. Postal Service, Massachusetts State Police and the Boston Police Department. Assistant U.S. Attorney Christopher J. Markham, of Mendell's Securities, Financial & Cyber Fraud Unit, and Assistant U.S. Attorney Philip C. Cheng, of Mendell's Narcotics & Money Laundering Unit, are prosecuting the case.

On May 17, 2021, the Attorney General established the COVID-19 Fraud Enforcement Task Force to marshal the resources of the Department of Justice in partnership with agencies across government to enhance efforts to combat and prevent pandemic-related fraud. The Task Force bolsters efforts to investigate and prosecute the most culpable domestic and international criminal actors and assists agencies tasked with administering relief programs to prevent fraud by, among other methods, augmenting and incorporating existing coordination mechanisms, identifying resources and techniques to uncover fraudulent actors and their schemes, and sharing and harnessing information and insights gained from prior enforcement efforts. For more information on the Department's response to the pandemic, please visit <https://www.justice.gov/coronavirus>.

Anyone with information about allegations of attempted fraud involving COVID-19 can report it by calling the Department of Justice's National Center for Disaster Fraud (NCDF) Hotline at 866-720-5721 or via the NCDF Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

The details contained in the charging documents are allegations. The remaining defendant is presumed innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

Topic(s):

Coronavirus

Financial Fraud

Component(s):

Antitrust Division

USAO - Massachusetts

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